

Testimony of Larry Engelstein

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BILL NO.: HB 6877

TITLE: Better Jobs Act

POSITION: Support

Good Afternoon Chairpersons Gomes and Tereyak and members of the Labor and Public Employees Committee. Thank you for the opportunity to present testimony today. SEIU 32BJ represents 145,000 women and men who perform property services, including cleaning and security services in 11 states and the District of Columbia along the East Coast, including 4,500 here in the State of Connecticut. My name is Larry Engelstein, and I am Executive Vice President of the union. I am here to speak in support of HB 6877, the "Better Jobs Act," which would ensure that the women and men who perform building services in larger buildings and facilities in the state are employed in shifts of no less than 30 hours a week. This is a sensible and innovative policy approach that will be considered in a number of jurisdictions throughout the East Coast over the next few months. I encourage its adoption with some key modifications: 1) extension of application to security officers; 2) inclusion of a private right of action to facilitate enforcement; 3) inclusion of provisions 32BJ is developing with the Connecticut Community Providers Association (CCPA) to ensure there are no unintended negative impacts on individuals with disabilities.

The Better Jobs Act would match the demand for building services work in larger buildings and facilities with the supply of workers who need full-time work. 32BJ has extensive experience representing building service workers who operate in full-time markets as well as those who operate

in markets that are largely still part-time –as is the case in much of Connecticut outside of Hartford. As I will discuss shortly, evidence from building services markets around the country indicates that this type of work can be performed on a full time basis. It is a choice whether to staff the work on a part-time or a full-time basis. However, this choice has consequences that extend beyond workers and their families, impacting communities and taxpayers. The consequences include insufficient income, lack of access to health and other benefits, instability for workers and their families, excessive job turnover, and unnecessary costs to taxpayers.

Too many families in Connecticut are struggling to get by. As recently reported by Connecticut Voices for Children, “nearly one third of Connecticut’s children are poor or near poor.”¹ The state also has the dubious distinction of being the most unequal in the country, with the top 1% of income earners making 51 times as much as the bottom 99%.² While attention has rightfully been drawn to the need to raise wages, insufficient hours also exacerbate the struggles faced by low-wage service workers.

Given stable full-time hours and access to health benefits, building services jobs can be family sustaining jobs and a gateway to the middle class for low income community members. However, when the jobs are only part-time, workers are unable to earn enough income to support a family. In many cases, this means having to work multiple part-time jobs just to make ends meet. It also means going without employer-provided health insurance if they fall below the 30 hour Affordable Care Act threshold. Low wages and erratic schedules have a detrimental impact on the health and well-being of workers and their families.

¹ <http://www.ctvoices.org/sites/default/files/econ14workingct.pdf>

² <http://www.epi.org/publication/income-inequality-by-state-1917-to-2012/>

The negative consequences of breaking building services jobs into part time work are not limited to the impacts on workers and their families. There is significantly higher turnover among part time workers as compared to full time workers performing building services, and this turnover comes with costs. An analysis of 32BJ funds data reveals that part time building services workers in Connecticut have a 25.3% turnover rate as compared to 11% among full-time workers.³ This makes sense. Trying to make ends meet on a part-time, low wage job requires cobbling together multiple part-time jobs. Some workers may find the struggle to meet childcare and other demands in order to perform a part time job outweighs the income they can earn – particularly if they do not have access to health benefits through their job. Those fortunate enough to find a full time job will have little incentive to stay with the part time one. A 2012 study by Heather Boushey and Sarah Jane Glynn for the Center for American Progress found that “[t]hirty case studies taken from the 11 most-relevant research papers on the costs of employee turnover demonstrate that it costs businesses about one-fifth of a worker’s salary to replace that worker.”⁴

When workers are unable to meet basic needs for their families – whether this means healthcare, food, shelter, or other essentials – they are forced to do without or seek public assistance. The Economic Policy Institute has reported that “[a]bout half of all workers in the bottom 20 percent of wage earners (roughly anyone earning less than \$10.10) receive public assistance in the form of Medicaid and the six primary means-tested income-support programs, either directly or through a family member.”⁵ When hours are limited, even at a higher hourly wage, workers’ income is low enough to force them to rely on public assistance. While it is essential that Connecticut maintain a

³ See *attached*, internal analysis of 32BJ funds.

⁴ Heather Boushey and Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, (November 16, 2012), available at <https://www.americanprogress.org/issues/labor/report/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>

⁵ <http://www.epi.org/publication/safety-net-savings-from-raising-minimum-wage/>

safety net for those in need, it does not make sense to allow that safety net be used to enable part-timing as a strategy to reduce labor costs.

In light of the impact of these choices on communities and taxpayers, it is appropriate for the State to determine the parameters within which costs may be passed on from businesses. As it stands, a business may be able to obtain building services more cheaply by part-timing the work. Those who choose to take the high road and provide full time work opportunities, along with the additional income and access to benefits that entails, could find themselves at a competitive disadvantage.

Building services is a sector in which, depending on building size, it is possible to ensure that workers have sufficient hours of work to earn a family-sustaining income and be eligible for health benefits. An analysis provided by the Economic Policy Institute, and submitted as an attachment to this testimony demonstrates that in some markets, such as New York City, Chicago and the Los Angeles Metro Area, women and men performing janitorial services are overwhelmingly employed 30 hours or more a week. This is consistent with 32BJ's own data analysis, based on our internal dues and health benefits funds data. A number of jurisdictions within 32BJ's footprint - such as New York City, Pittsburgh and Philadelphia - are ones in which women and men perform building services work on a full-time basis. Here in Connecticut, building services work in Hartford is largely performed on a full-time basis. However, the majority of building services work in Fairfield County and in New Haven and other location is performed on a part-time basis.⁶

⁶ 32BJ analysis of dues data:

	Full-Time	Part-Time
Fairfield	32%	68%
Hartford	72%	28%
New Haven	16%	84%

At various other times in history, the State has made the choice to level the playing field to ensure the appropriate allocation of costs – through establishment of minimum wage rates, the workers compensation system, and other workplace protections. In fact, Connecticut has taken the lead in adopting innovative policies - such as paid sick days -for working families in the past. Other states, such as California and Massachusetts, as well as a growing number of municipalities, including New York City have followed suit. The President even spoke about the need to adopt paid sick days legislation in his 2015 State of the Union address. It is time for Connecticut to lead again, and take action to ensure that the women and men who perform building services are not stuck in a cycle of part-time work and struggle for self-sufficiency.

The Better Jobs Act is an example of a commonsense and targeted policy intervention that would make a significant difference in the lives of thousands of Connecticut families. When it comes to certain types of building services, there is sufficient need for labor and sufficient workers who want full time work – It is just good sense to match supply and demand.
